GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:283
ANSWERED ON:21.12.2004
PRICES OF MEDICINES
Budholiya Shri Rajnarayan;Shakya Shri Raghuraj Singh

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the production cost of uncontrolled drugs is many times more than the production cost of controlled drugs;

(b) if so, the details thereof and the reasons therefor;

(c) the steps taken by the Government in this regard;

(d) whether the Government has decided to reduce the prices of life saving drugs including cancer and AIDS ;

(e) If so, details thereof;

(f) whether against this decision some drug manufacturing companies have threatened to stop production;

(g) if so, the reaction of the Government thereto; and

(h) the steps taken by the Government in this regard?

Answer

THE MINISTER OF CHEMICALS , FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (h) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (h) OF THE LOK SABHA STARRED QUESTION NO.283 (1st position) FOR ANSWER ON 21-12-2004 REGARDING 'PRICES OF MEDICINES'.

(a) to (e): The Drugs (Prices Control) Order, 1995 (DPCO'95) does not make any distinction between the Life Saving drugs and other drugs. In accordance with the provisions of the said Order, the Government fixes prices of the drugs listed in its First Schedule and the formulations based thereon. These drugs have been identified for inclusion under price control in the DPCO, 95 on the basis of criteria mentioned in the 'Modifications in Drug Policy, 1986' announced in September, 1994. These criteria take into account the extent of usage and the market competition of various drugs. None of the 74 bulk drugs specified in the First Schedule of DPCO, 95 is an anti-cancer or AIDS drug.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

A Committee under the Chairmanship of the Joint Secretary (Pharmaceuticals) has been constituted to examine the span of price control (including trade margin) in the light of the National Common Minimum Programme and the observations of the Supreme Court in Special Leave Petition (SLP) No. (C) 3668/2003 and to suggest measures for fulfilling the objective of the National Common Minimum Programme to ensure the availability of life saving drugs at reasonable prices. This Committee has submitted only its interim report to the Government.

(f) No such threat has been conveyed by the drug manufacturing companies.

(g) & (h) Do not arise in view of reply to (f), as above.